Lao People's Democratic Republic
Peace Independent Democracy Unity Prosperity

LALCO
LAO ASEAN LEASING PUBLIC COMPANY

No.0.0.0.0.7.2.3.7
Vientiane Capital, Date. 02nd Sep-2021

Invitation

Attn: Shareholders of Lao ASEAN Leasing Public Company

Issue: Invitation to the Annual General Shareholders' Meeting for the year 2020

- According to the resolutions of BOD meeting date 27th August 2021

Lao ASEAN Leasing Public Company is honored to invite all shareholders to attend the Annual General Shareholders' Meeting for the year 2020 on **15th September 2021** at 11:00 am (registration begins at 10:30 am) at Lao ASEAN Leasing Public Company at 3rd Floor, NNN Building, Bourichane Road, Phonsinuan Village, Sisattanak District, Vientiane Capital, Lao PDR. The meeting agenda is attached in this document.

Lao ASEAN Leasing Public Company notifies to Lao Securities Exchange on 02nd September 2021 is closing date the shareholder register book (Record Date) to determine the right of shareholders to attend the Annual General Shareholder's Meeting for the year 2020.

Shareholders who get the right can receive the meeting invitation letter (with barcode) and documents in Lao Securities Exchange to identify registered to attend the meeting.

Hopefully, you will be well worth the time to attend this meeting.

Your Sincerely,
Board of Director

Mrs. Yuki Scott

สแกนด้วย CamScanner

Attachment:

1. Agenda of the Annual General Shareholder's Meeting for the year 2020
2. Proxy Form
3. Attachment agenda 1: The Summary of reports about the operations of the company And Annual Report 2020
4. Attachment agenda 2: The Company's Financial Statement for the year 2020
5. Attachment agenda 3: The Company's business plan for 2020
6. Attachment agenda 5: Appointment of General Director, Legal Representative, CEO, Committee Members, Vice Chairman, New Board Members.
7. Instruction for vote
8. Instruction about the documents and evidence to presented prior to attending the meeting
9. CV of Board of Directors and CFO (For information only)
10. Map of Shareholders' Meeting Places

Remarks: All shareholders shall obtain the invitation letter and attachments starting from 07 September 2021, at Lao Securities Exchange Building, 4th Floor, Settlement and Depository Department, T4 Road, Phonthan Nuea Village, Saysetha District, Vientiane Capital, Tel: (856-21) 545 361-4, Fax: (856-21) 545 361-4.

1. For the shareholders who wish to attend the Meeting by yourself, please present the identification card or passport (for foreign shareholders).
2. If the shareholder wishes to appoint a proxy to attend the Meeting and cast votes on your behalf, please complete the information and sign the proxy from attached hereto the proxy who will attend the meeting must present the identification card or passports (for foreign shareholders).
3. If any shareholder wishes to appoint an independent director of the company to attend and cast votes on your behalf, please complete the information and sign the proxy from put a (□) in front of the name of an independent director as provided in the proxy and send to Lao ASEAN Leasing Public Company at the 2nd Floor, NNN Building, Bourichane Road, Phonsinuan Village, Sisattanak District, Vientiane Capital, Lao PDR and please deliver before 20th April 2020.
4. If you have any queries or questions in relation to the proxy and the invitation letter, you have may contact Ms. Meevue Jasia, Tel: (856-20) 95150442 or Ms. Louly Leelianou, Tel (856-20) 28037659

Agenda of the Annual General Shareholder's Meeting for the year 2020

Agenda 1	**Consider Adopt the Summary of reports about the operations of the company and Annual Report 2020.** **Objective and Rationale:** Pursuant on the article 154 of Enterprises Law Edited version No.46/NA, date 26 December 2013 concerned "Right and Duties of the shareholders', the meeting is to approve the summary of reports about the operations of the company and Annual Report of the company" that the more details are on attachment document. **Board of directors' Opinion:** Agreed to propose the shareholders should approve and adopt the Summary of reports about the operations of the company and Annual Report 2020. **Required vote:** Law on Enterprises stipulates that this agenda must be approved by the vote for more than half of the total votes attending the meeting.
Agenda 2	**Consider Adopt and Approve for the Financial Statements of the company for the year 2020.** **Objective and Rationale:** Pursuant on the article 154 of Enterprises Law Edited version No.46/Na, date 26 December 2013 concerned "Right and Duties of the shareholders', the meeting are to approve the operating result and the financial statement of the company" the Financial Statements for the year 2020, that the more details are on attachment document. **Board of directors' Opinion:** Agreed to propose the shareholders should approve and adopt the Financial Statements of the company for the year 2020. **Required vote:** Law on Enterprises stipulates that this agenda must be approved by the vote for more than half of the total votes attending the meeting.
Agenda 3	**Consider Adopt and Approve for Business Expansion according to the Company Business Plan for the year 2021.** **Objective and Rationale:** The Company wants to expand business based on the Company Business plan for the year 2021. **Board of directors' Opinion:** Agreed to propose the shareholders should approve the guidelines to expand the business as forecast in the Company Business plan for the year 2021. **Required vote:** Law on Enterprises stipulates that this agenda must be approved by the vote for more than half of the total votes attending the meeting.

Agenda 4	**Consider the Dividend Payment** **Objective and Rationale:** Pursuant on the article 155 of Enterprises Law Edited version, No.46/Na, date 26 December 2013 concerned "The dividend payment shall be approved by the shareholder's meeting'. Pursuant on the article 156 of Enterprises Law Edited version, No.46/Na, date 26 December 2013 Concerned "a company shall annually put for 10 percent of the net profit into reserve fund. When the reserve fund accumulates half of the registered capital, the company may suspend such fund deduction." **Board of directors' Opinion:** Agreed to propose the shareholders should approve no payment dividend due to fund utilization need for business operation. **Required vote:** Law on Enterprises stipulates that this agenda must be approved by the vote for more than half of the total votes attending the meeting.
Agenda 5	**To consider and approve the appointment of new committee members, the changing of director, appointment of CEO and member of Board of Director of the Company.** **Objective and Rationale:** • 5.1 Approved and adopted appointment Mr. Shingo Yamanaka to be new member of the Board of Director, Chief Executive Officer, Chairman of Remuneration Committee, Chairman of Nomination Committee which shall be propose to the Annual General Shareholder's Meeting to consider and approval. • 5.2 Approved appointment Mr. Shingo Yamanaka also to be new Legal Representative (Who's name in Enterprise Register Certificate) and General Director of the company in lieu of Ms. Risa Yamaguchi resignation date 15-09-2021 • 5.3 Approved appointment Mr. Mitsuteru Nagaya to be vice chairman of the Board of Director, Chairman of Audit Committee, member of Risk Management Committee, member of Nomination Committee, Chairman of Related Party Committee of the company in lieu of Ms. Makiko Oikawa resignation date 15-09-2021 which shall be propose to the Annual General Shareholder's Meeting to consider and approve. • 5.4 Approved appointment Mr. Hirofumi Inada to be new member of the Board of Director, member of Audit Committee, Chairman of Risk Management Committee, member of Nomination Committee, member of Related party Committee of the company in lieu of Mr. Tomohiro Yoshida resignation date 15-09-2021 which shall be propose to the Annual General Shareholder's Meeting to consider and approve.

	Board of Directors' Opinion: Agreed to propose to shareholders to consider and approve the appointment reflect the resolution in Agenda 5.1 – 5.4 herein. **Required vote:** Law on Enterprises stipulates that this agenda must be approved by the vote for more than half of the total votes attending the meeting.
Agenda 6	**To consider and adopt and approve the appointment of Ernst & Young Lao Co., Ltd to be auditor for Y2021** **Board of directors' Opinion:** Agreed to propose to shareholders to consider and approve the appointment of Ernst & Young Lao Co., Ltd to be auditor for Y2021 **Required vote:** Law on Enterprises stipulates that this agenda must be approved by the vote for more than half of the total votes attending the meeting.

ໃບມອບສິດ

Proxy

1. ຂ້າພະເຈົ້າ/ (I/we).....ສັນຊາດ/ Nationality.....
   ບັດປະຈຳຕົວ/ຫນັງສືຜ່ານແດນ ເລກທີ່/ID Card/ Passport number:.....,
   ທີ່ຢູ່ປະຈຸບັນ/ Current address:.....
   ເບີໂທລະສັບ/Telephone No.: .....ອີເມວ/ email.....
   ເປັນຜູ້ຖືຮຸ້ນບໍລິສັດ ລາວ ອາຊຽນ ເຊົ່າສິນເຊື່ອ ມະຫາຊົນ (ລອຊ)
   Being a shareholder of LAO ASEAN Leasing Public Company (LALCO)
   ມີຮຸ້ນທີ່ຖືຈຳນວນ.....ຮຸ້ນ ຊຶ່ງເທົ່າກັບຈຳນວນສຽງທີ່ຈະລົງຄະແນນ ສຽງ
   Holding a total number of …… shares which are equivalent to the same number of votes

2. ຂໍມອບໝາຍ ທ່ານ/ Hereby assign Mr/Ms .....ອາຍຸ/ age.....
   ບັດປະຈຳຕົວ/ຫນັງສືຜ່ານແດນ ເລກທີ່/ID Card/ Passport number:.....,
   ທີ່ຢູ່ປະຈຸບັນ/ Current address:.....
   ເບີໂທລະສັບ/Telephone No.: .....ອີເມວ/ email.....
   ໃຫ້ເປັນຜູ້ຕາງໜ້າຂອງຂ້າພະເຈົ້າ ເພື່ອເຂົ້າຮ່ວມ ແລະ ລົງຄະແນນສຽງແທນຂ້າພະເຈົ້າ ຢູ່ໃນກອງປະຊຸມຜູ້ຖືຮຸ້ນ ປະຈຳປີ 2020 ຂອງ ລອຊ ທີ່ຈະຈັດຂຶ້ນໃນເວລາ 11:00 ຕອນເຊົ້າ ຂອງວັນທີ່ 15 ກັນຍາ 2021
   To be my/our proxy to attend and vote on my/our behalf in the Annual General Shareholders' meeting for year 2020 of the LALCO which will be held at 11:00 AM of 15 Sep 2020

3. ຂ້າພະເຈົ້າ ອະນຸຍາດໃຫ້ຜູ້ຕາງໜ້າລົງຄະແນນສຽງແທນຂ້າພະເຈົ້າ ຢູ່ໃນກອງປະຊຸມດັ່ງນີ້ (ເລືອກເອົາໜຶ່ງ ຈາກສອງ ທາງເລືອກລຸ່ມນີ້):
   I/We authorize the proxy to vote on my/our behalf in the Meeting as follows (choose one from the two following options):

☐ 1. ໃຫ້ຜູ້ຕາງໜ້າມີສິດພິຈາລະນາ ແລະ ລົງຄະແນນສຽງໃນທຸກໆບັນຫາແທນຂ້າພະເຈົ້າ ຕາມທີ່ຜູ້ກ່ຽວເຫັນສົມຄວນ; ຫຼື

To grant the proxy to consider and vote in all agendas on my/our behalf as the proxy may deem appropriate; or

☐ 2. ໃຫ້ຜູ້ຕາງໜ້າລົງຄະແນນສຽງຕາມຄວາມຕ້ອງການຂອງຂ້າພະເຈົ້າດັ່ງນີ້ (ຖ້າເລືອກຂໍ້ນີ້, ກະລຸນາລົງຄະແນນເຫັນດີ ຫຼື ບໍ່ເຫັນດີ ໃນທຸກໆວາລະລຸ່ມນີ້):

To grant the proxy to vote as per my/our intention indicated in the followings (if you select this option, please choose to vote either approve or disapprove in ever agenda):

ວາລະທີ່ 1 ພິຈາລະນາຮັບຮອງເອົາບົດສະຫຼຸບລາຍງານກ່ຽວກັບການດຳເນີນງານຂອງບໍລິສັດແລະບົດລາຍງານປະຈຳປີ 2020

Consider Adopt the Summary of reports about the operations of the company and Annual Report 2020.

.....

☐ ເຫັນດີ/ approve

☐ ບໍ່ເຫັນດີ / disapprove

ວາລະທີ່ 2ພິຈາລະນາຮັບຮອງເອົາແລະອະນຸມັດ ສຳ ລັບເອກະສານລາຍງານການເງິນຂອງບໍລິສັດ ສຳ ລັບປີ 2020.

Consider Adopt and Approve for the Financial Statements of the company for the year 2020.

.....

☐ ເຫັນດີ/ approve

☐ ບໍ່ເຫັນດີ / disapprove

ວາລະທີ່ 3 ພິຈາລະນາຮັບຮອງເອົາແລະອະນຸມັດການຂະຫຍາຍທຸລະກິດຕາມແຜນທຸລະກິດຂອງບໍລິສັດ ສຳ ລັບປີ 2021.

Consider Adopt and Approve for Business Expansion according to the Company Business Plan for the year 2021.

.....

- ☐ ເຫັນດີ/ approve
- ☐ ບໍ່ເຫັນດີ / disapprove

ວາລະທີ່ 4ພິຈາລະນາ ແລະ ອະນຸມັດການຈັດສັນ ກຳ ໄລສຸດທິ ສຳ ລັບປີ 2020

Consider and Approve the Allocation of net profit for the year 2020 and the Method of Dividend Payment

.....

- ☐ ເຫັນດີ/ approve
- ☐ ບໍ່ເຫັນດີ / disapprove

ວາລະທີ່ 5 ພິຈາລະນາ ແລະ ອະນຸມັດການແຕ່ງຕັ້ງຄະນະກຳມະການໃໝ່, ປ່ຽນຜູ້ອຳນວຍການ, ແຕ່ງຕັ້ງ ປະທານເຈົ້າ ໜ້າທີ່ບໍລິຫານ ແລະ ສະມາຊິກສະພາບໍລິຫານໃໝ່ຂອງບໍລິສັດ

Consider and approve the appointment of new committee members, the changing of director, appointment of CEO and member of Board of Director of the Company.

.....

- ☐ ເຫັນດີ/ approve
- ☐ ບໍ່ເຫັນດີ / disapprove

ວາລະທີ່ 6 ພິຈາລະນາແລະຮັບຮອງເອົາແລະອະນຸມັດການແຕ່ງຕັ້ງບໍລິສັດ Ernst & Young Lao Co. , Ltd ເປັນ ຜູ້ກວດສອບ ໃນປີ 2021

Consider and adopt and approve the appointment of Ernst & Young Lao Co., Ltd to be auditor for Y2021

.....

- ☐ ເຫັນດີ/ approve

  ບໍ່ເຫັນດີ / disapprove

4. ການລົງຄະແນນສຽງຂອງຜູ້ຕາງໜ້າທີ່ບໍ່ເປັນໄປຕາມໃບມອບສິດນີ້ ໃຫ້ຖືວ່າບໍ່ຖືກຕ້ອງ ແລະ ບໍ່ແມ່ນການລົງ ຄະແນນຂອງຂ້າພະເຈົ້າ

   Any votes made by the proxy contradicting to this Proxy shall be considered as invalid and shall not constitute my/our votes as the shareholder.

5. ໃນກໍລະນີທີ່ຂ້າພະເຈົ້າ ບໍ່ໄດ້ລະບຸຄວາມຕ້ອງການຂອງຕົນໃນການລົງຄະແນນສຽງໃນວາລະໃດໜຶ່ ຫຼື ລະບຸໄວ້ ບໍ່ຈະແຈ້ງໃຫ້ຖືວ່າຂ້າພະເຈົ້າລົງຄະແນນສຽງເຫັນດີ
   In case I/We have failed to specify my/our voting intention in any agenda or not clearly specified, my/our vote in such agenda shall be deemed approved.

6. ທຸກການກະທຳໃດຂອງຜູ້ຕາງໜ້າໃນກອງປະຊຸມທີ່ເປັນໄປຕາມໃບມອບສິດນີ້ ໃຫ້ຖືວ່າຂ້າພະເຈົ້າໄດ້ກະທຳເອງ ທຸກປະການ.
   Any action made by the proxy in the meeting in accordance with this Proxy, shall be deemed as having been performed by myself/ ourselves in all respects.

ທີ່/ Wrote at.....
ວັນທີ່/date.....

ເຊັນຜູ້ຖືຮຸ້ນທີ່ມອບໝາຍ /Signed by the shareholder

_____

ເຊັນຜູ້ຕາງໜ້າ / Signed by the proxy

_____

ໝາຍເຫດ/ Remark

1. ຜູ້ຖືຮຸ້ນ ຈະຕ້ອງແຕ່ງຕັ້ງຜູ້ຕາງໜ້າພຽງຜູ້ດຽວເຂົ້າຮ່ວມກອງປະຊຸມ ແລະ ລົງຄະແນນສຽງແທນຕົນເອງ
   The shareholder is required to assign only one proxy to attend and vote in the meeting on the shareholder's behalf.
2. ໃບມອບສິດສະບັບນີ້ຈະຕ້ອງນຳໄປຈົດທະບຽນສານ ນຳສຳນັກງານທະບຽນສານທີ່ຢູ່ສະດວກສຳລັບທານ ເພື່ອໃຫ້ຮັບປະກັນຜົນສັກສິດທາງກົດໝາຍ, ລອຊ ມີສິດປະຕິເສດໃບມອບສິດໃດໆທີ່ບໍ່ໄດ້ຈົດທະບຽນ ສານ

This Proxy must be certified by your most convenient Court Notary Office to ensure its legal validity. LALCO may reject any Proxies or proxy authorizations without endorsement of the Court Notary Office.

3. ຜູ້ຕາງໜ້າຕ້ອງສະແດງເອກະສານຂອງຕົນເອງຕໍ່ພະນັກງານປະຈຳໂຕະລົງທະບຽນ ຄື: ບັດປະຈຳຕົວ ຫຼື ປຶ້ມສຳມະໂນຄົວ ຫຼື ໜັງສືຜ່ານແດນ (ສຳລັບນັກລົງທຶນຕ່າງປະເທດ) ພ້ອມກັບສຳເນົາເອກະສານປະເພດດຽວກັນນີ້ຂອງຜູ້ຖືຮຸ້ນ, ໃບມອບສິດສະບັບນີ້ ແລະ ໜັງສືເຊີນປະຊຸມ

   The proxy must present to the officers at registration desk his/her valid ID Card, or Family book or Passport (in case of foreign investor) together with the copies of the same documents of the shareholder, this Proxy, and the invitation to the Meeting.

Attachment Agenda 1: **The Summary of reports about the operations of the company And Annual Report 2020**

Attachment Agenda 2: **The Company's Financial Statement for the year 2020**

LAO ASEAN LEASING PUBLIC COMPANY

Annual Report 2020

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Lao ASEAN Leasing Public Company

1. Issuing Company

1.1. General Information of Company

Company Name	:	Lao ASEAN Leasing Public Company
Business type	:	Financial Leasing non-real estate
Symbol	:	LALCO
Registered Office	:	Phonesinuan village, Sisattanak district, Vientiane capital city, Lao P.D.R
Enterprise registration certificate	:	0222/ERC
Enterprise Tax certificate	:	534675249-9-00
Email	:	info@lalco.la
Website	:	www.lalco.la
Telephone	:	(856) 21 255 557, (856) 30 505 6685

1.2. THE COMPANY

Lao ASEAN Leasing Public Company ("the Company"), formerly known as Lao ASEAN Leasing Company Limited, is a public company incorporated in Lao PDR in accordance with Enterprise Registration No.081/ELSD issued by the Enterprise Licensing and Supervision Department, Ministry of Industry and Commerce on 5 February 2015 and the latest amendment which is Enterprise Registration No. 0222/ELSD dated 19 February 2019. The Company was granted approval from the Bank of Lao PDR (the "BOL") on 2 February 2015 and the latest amendment on 14 September 2017 for conducting its leasing activities. The principal business operation of the Company is to provide hire-purchase services through providing credit line for individual and corporate customers to buy motorcycles and cars.

Leasing business in Lao is a rapidly growing business, so leasing businesses in Lao must be licensed and operate under regulations issued by the Financial Institution Supervision Department of the Bank of Lao PDR**.** 32 companies leasing companies have been established and operate. Statistic February 2019, Financial Institution Supervision Department of the Bank of Lao PDR.

LALCO is a leasing business operating in Lao PDR, particularly retail finance, the Company mainly focuses on vehicles from Japanese brands including:

- Pick up and car brand: TOYOTA, ISUZU, HONDA, SUZUKI, NISSAN, MAZDA and others.
- Motorcycle brand: HONDA, SUZUKI, YAMAHA and others.

Currently**,** LALCO have three types of service: new cars and motorcycles, second hand cars and motorcycles and refinance for cars and motorcycles.

For Refinance service, the Company focuses on clients with a good payment history, most of the clients using the refinance service are old clients that have used LALCO services before. For new clients, LALCO must: check clients' credit history in detail, check clients' history with the clients head of village and check on credit with the information bureau system in Bank of Lao PDR program, to ensure that clients will have the ability to repay.

The Company has been seen potential in the leasing sector in Lao PDR over the past years, so in 2014 it explored the feasibility and studied setting up a leasing business. The preliminary study showed, clients had limited access to capital for the purchase of vehicles for family use and business operations. When identifying this potential, the Company requested permission to establish and operate business at the end

of 2014. The policy of the Company outlines that the managing director must have a vision for the Company to be the leader of car and motorcycle leasing services in leasing industrial sector in Lao. The Company has taken clients as the center of service by setting up strategic services following the Company's slogan " Lao ASEAN Service minded Conveniently fast High amount".

After receiving permission to establish and operate a business in 2015, the Company has been operating under the laws and regulations determined by the leasing business supervision organizations. Therefore, the products and services of the company are well known to customers, especially in Vientiane Capital. The results of performance over the past four years, are from loss LAK 17 billion in 2015 and the profit increase to LAK 126 billion in 2020. In addition, the Company has been approved an expansion for branches to open in provinces such as Luang Prabang, Savannakhet and Champasak in May 2018.

The Company mainly focuses on reaching clients and potential customers through direct call sales, advertisements using media and commercial advertisement campaigns targeting potential customers in populous locations, such as markets and trade fairs.

The Company converted into a public Company on 19 February 2019 , with a registered capital as on 31-12-2020 of LAK 30,150,000,000, and has been operating as financial leasing (non-real estate) under the Law of Lao PDR (hereinafter "conversion date") with the Company's shares held by LALCO Holding PTE CO., Ltd, which the Company from Singapore totaling LAK 23,316,000,000 equal to 78.33%, O International Co.,Ltd is a company from Cayman Islands held LAK 6,170,270,000 equal to 20.46% and others shareholders at approximately LAK 362,250,000 equal to 1.21%.

Since the Company establishment, The Company had increased its registered capital onc. On the day of establishment, 05 February 2015, the registered capital was LAK 8,040,000,000. 13th of October 2015 the Company raised its registered capital to LAK 30,150,000,000. Currently, the company can expand its seven branches. The Company has been licensed to expand its branches twice, first on 21 May 2018 the Company was approved an expansion of its branches to three new provinces; Luang Prabang, Savannakhet and Champasak, approved by: Financial Institution Supervision Department, Bank of Lao PDRand Enterprise registration and Management Department Ministry of Industry and Commerce.

As of 17 December 2018, Enterprise Registration Certificate No. 1191/ERC, The Company has been granted permission to extend to four additional provinces: Houaphanh, Xieng Khouang, Bolikhamxay and Salavan.

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2. Risk factor

To invest in business may involve risks. Before investing, the investors should carefully consider the risks and information described below in this prospectus. The following sections describe some risks that may arise, affecting the company and the value of investing. Though the Company is aware of all major risks, there may be other risk factors; that the Company does not anticipate that the Company is unable to recognize and other minor risks which may affect business; financial conditions, operating performance, and the projections. This prospectus also estimates the future business operations which come with risks and other uncertainties. The operating result may be completely different from the plan. The forecast of future operations can be affected by many factors, including risks that the company may face as described in this prospectus.

Lao is considered a Frontier Market and the investment in frontier stock markets can be risky. Apart from the company (qualities of management and asset, cash flow, financial liquidity, regulations and other related parties), the investors also need to be aware of factors in the stock market including: regulation, taxes, liquidity and costs related to trading transactions.

The investors need to consider to the following risks, as detailed, that may impact the company and the value of investment in the Company. Moreover, there will be other risks which the company may not be aware of or the risks that are not important for the company in the present, but may cause negative impact. Investors may lose a part or all of their capital.

The main factors which are involved with investment in common stock are compiled and detailed as follows.

2.1 Macro Risk

2.1.1 Macroeconomic risk

Leasing business has serious competition from new entrepreneurs, mostly from Financial Institution Companies, which have advantages from lower financial costs and a large amount of capital. Because of the high return rate, potential competitors include; commercial banks and affiliated companies, leasing companies and vehicle rental businesses and companies. This business doesn't need large investments in tools and equipment for operations. So, it attracts more and more new entrepreneurs to come into the industry. Beside the new entrepreneurs, there is competition from existing operators who use marketing strategies such as provision of: high rate borrowing, extending repayment terms and lower interest rates to attract customers.

Operating the business is not solely dependant on having enough capital. Having an experienced management, access to target customers, meeting customer demands, many branches, customer service centers in business areas, fast and efficient services, a large customer database, expertise in credit management and repayment controlling systems, all promote the Company's competitive advantage. Moreover, commercial banks and other companies will focus on providing leases to new vehicles or premium customers. The Company mainly focuses on; customers who'd like to buy new and second hand vehicles, medium to premium customers and only Japanese brand vehicles.

2.1.2 Currency risk

Doing business in Lao PDR, the dominant currency is Lao Kip (LAK). The Company sources of funds are mostly from offshore loans, so there will be the risk of forex loss when the exchange rate fluctuates and it will affect the Company debt repayments.

Therefore to reduce such a risk, the Company needs to look for more local sources in LAK currency or may also use forward exchange, but currently financial institutions do not provide such service for the LAK or there will be a high fee associate with the service. If necessary, the Company will take the high cost forward exchange into the consideration.

2.1.3 Risk on interest rate

The main revenue of the Company comes from lease interests, which are fixed rate till their maturity dates. When the interest rate in the market changes, it may affect the result of the Company's performance, if the Company has a cost of borrowing and has to pay for interest at a fixed rate, the operating result will be affected along with the ability to make profit.

However, the changing of interest rate in the market will affect all of the leasing industry. Currently the ratio of interest income and payment of the Company still has more space to generate increased profit for shareholders. Moreover, the interest rate is expected to decline in the short to medium term and after the Company is listed; it will have more capital and reduce future interest payment.

2.2 Financial risk

2.2.1 Marketing and competitive risk

The leasing business has a highly competitive environment because of high return, the number of competitors in this industry are increasing, resulting a higher risk of interest competition. However, in the past these factors have not directly affected the Company as the financial institutions will focus on customers who need a loan, while the Company is focusing on customers who have stable incomes. The Company also focuses on the qualities of before and after sales services; mainly fast service with high loan limit and approval within 1 day. There are a wide range of service access points and product designs to meet the demand of customers.

2.2.2 Risk from providing leases for second hand vehicles

Providing leases for second hand vehicles, the Company may face risks from technical checking and evaluation. If the Company is inefficient in evaluating the second hand vehicle before providing a lease for a customer, it will have a risk from selling the vehicle if it is confiscated. The vehicle evaluation is dependent on the useful life, appearance and popularity of that vehicle.

To reduce these risks the Company selects staff, who are experts in vehicle selection to provide a lease to a customer, this not only helps to reduce the risk from vehicle quality but it also builds confidence from customers. Moreover, the Company also selects high standard second hand vehicle dealers, who offer the second hand vehicle at the suitable price, including guarantee and after-sales service.

2.3 Management and operational Risk

2.3.1 Risk by the Director

The quick success of the Company after its establishment only 6 years ago was because it was operated by experienced individuals, who have the expertise and are well-known in the industry. They play important roles in various departments such as marketing, credit management, collection and debt management. Without those experienced managers, the Company may face business operational risk.

This risk can be protected against, as the Company set up personnel development policies to train staff. The goal and direction of the Company's personnel development policies are to develop knowledge and skills of staff to meet the needs of the Company.

2.3.2 Risk from Controlling by major shareholders

After the IPO, the Company's major shareholder will be LALCO Holding Co., ltd with 78.33% and O-International Co., ltd with 20.46% Between them covering over 98% of the total vote from registered capital, which will take almost full control of shareholder's meeting resolutions, including the appointment of BOD or approval of other matters that require a majority in the shareholders' meeting, except agenda related to the Article of Association and laws. Therefore, other shareholders may face risk of not having enough votes to veto the votes of the major shareholders during the shareholders meeting.

For transparency and to reduce the risk in management by major shareholders, the Company has set up a BOD to balance the power of its members by having independent directors not less than one-third of the total numbers of directors. Independent directors provide comments and consider important issues. Directors who have conflict of interest with

2.3.3 Risk by the Computer system

Motorcycle leasing businesses are engaged with lots of information and data therefore, the management information base is needed. Information technology requires close control, a monitoring system, expertise and specialist skills to solve issues in case of an emergency. Risks associated with the computer system are: system programming, hardware, security software and information system.

The Company plans to prevent the above risk as follows:

- Application software: in case of emergency the Company has built a backup storage, located in a secured location. In addition, to make sure that the backup storage system is working properly, system testing is done twice a year.
- Hardware Control: There's a backup computer that supports the Company's server. the quality of this computer may be lower than the main computer but it is not placed in the same location as the server, Backup computers are placed in different branches. The backup computer works the same way as the main computer and is tested regularly.
- Data Risk: Equipment for data storage and to replace damaged equipment will be procured. The data gets backed up every day in external storage which located offsite or handed to the authorized person. Another backup system is also installed, in case the main storage is damaged.
- Security risks in accessing computer systems and data: The system will be accessed by the authorized personnel only. To prevent risks such as computer viruses, the Company will install security software, Firewall and Antivirus software. Using external files or externaldevices like hard drives or USB are restricted to avoid computer viruses that may arise.

2.3.4 Risk of Staff fraud or other Parties

Leasing businesses are involved with direct money services, the Company may face risk of corruption by staff, especially when the customers make their payment at the branch. The financial officer of each branch receives cash directly from customers and there may be risk of Staff fraud.

In order to prevent such problems, the Company has setup an internal control technology system, to inspect its branch. When the customers are paying their installment, they receive a payment bill and if the branch has cash over the set limit, they need to deposit to the bank and inform head office by daily report. In addition, the Company also has a policy for an Internal Audit Unit to inspect the financial position of each branch. These precautions will help limit damage that may occur ,protecting the Company's performance.

2.3.5 Risk from Nonperforming Loan (NPL)

Motorcycle leasing business is a highly profitable business. The determination of financial conditions, such as installment rate, interest rate and the contract duration depend on the market mechanism controlled by the Bank of Lao PDR. Currently there is no fixed ceiling rate. As a result, motorcycle lease entrepreneurs can operate in full competition. depending on the potential of the companies in competition, the risk is quite high.

Considering that the Company business status is at the beginning stage, the Company needs to expand its customer base at a higher rate to increase market share. The balance between the expansion of the lease customer base, the flexibility of the credit approval must be in taken into the consideration to get quality credit. If the Company is unable to maintain this balance, risk of decreasing quality of credit will affect the company's performance, as it needs to acknowledge more bad debts and doubtful accounts from more provisions.

To protect from the risk of bad debtors, the Company can confiscate vehicles if certain conditions are met as indicated in the lease contract (the Company may confiscate its debtors' motorcycles if debtors skipped payment installments over a specified timeframe) to request for outstanding payments. In a case where customers unable to make payments, the Company will confiscate the vehicle and sell it as soon as possible.

Along with these measures, the Company has a strict guideline in approving credit by paying attention to the approval process. Before the approval, customer's information will be checked from the Company's database system. In addition to the collateral (vehicle), the Company also requires a third party to guarantee lowering risk from the debtors. An appropriate amount of down payment, dependent on the risk of each debtor is required. The Company will also; setup a management system of the debt installments, create a team to track debt and follow up with customers and separate customer into levels based on customer payment behavior.

2.3.6 Risk from non- diversified products

Due to the present highly competitive situation in leasing business, if the Company doesn't have diversity of products, it will not be attractive to customers who want to purchase consumer goods with leasing services. Therefore, the Company may face a revenue risk from not diversifying its products, which may in turn affect in the future performance of the Company.

In order to reduce this risk, the Company plans to expand its services to include providing financial lease for: cars, electronic appliances, machinery and more. The Company is granted a license for all non-real estate leasing services by Financial Institution Supervision Department. In addition, the Company will expand to other financial businesses according to the approval from related authorities in the future.

2.3.7 Risk on source of funding

The Company's capital mostly comes from overseas, Associated risks are; when the loan contract ends, when the lender asks for payment before the contact end or changes to the countries' lending regulations occur.

However, the Company can prevent those risks by fully identifying the contents of the contract, so the Lender cannot ask for the loan before the maturity date. The Company has also taken loans from local financial institutions with interest rates lower than foreign loans.

2.3.8 Risk on increasing debt

Leasing businesses need to spend a lot of capital, to keep business growing continuously. The Company needs to access different sources of funding to respond to the business growth and the result for the Company can be high levels of debt in the future. The preventive measures include; prepared sources of

funding that comply with the purpose of use terms, assessing the appropriateness of interest rates, repayment period and debt ratio in congruity with the economic situation, in order to find the best source of fund. If the Company can be listed on the Lao Securities Exchange, there will be more channels to access sources of funding such as: shares, corporate bonds, public offerings and access to funding from banks by using customer accounts as collateral for a loan.

2.3.9 Risk on defaults, guarantors and collateral

To reduce these risks, the Company has installed GPS to all of vehicles before leaving to the customers. In addition, the Company's policy is to to provide leases an individual and/or the guarantor, whom live areas that have a branch. The Company's staff will check given information with the chief of the village as to whether the information from the is true. In the case skip of customers who skip payments, the staff call and ask the customer to pay. If the customer still doesn't pay the staff will promptly visit them in order to reduce risk.

2.3.10 Risk form depending on specialized staff

Leasing businesses need specialized staff; experts with lots of experience in checking and evaluating the price of second hand vehicles, with knowledge about marketing and good relationship with dealers. The Company may face risk from depending on specialist staff. If the Company doesn't have them, it may affect the Company operating result directly. The Company plans to reduce those risks by working systematically, using manuals on every step, including using credit scoring to provide leases. This will help make the process of lease approval standardized. To further reduce the risk, the Company also motivates their staff by offering rewards and training, creating new generations of skilled staff.

2.3.11 Risk on the collateral were not cover debt

All of the Company's asset guarantees are real Estate, so the Company is set up for debt collection measures. If the customer continually skips their payment for three times, the Company will take the vehicle and will cancel the agreement. If the customers do not pay their debt within 30 days, the Company can sell vehicle through the market. Currently, the Company had sold vehicles through the branch, the Company's warehouse and public auction in order to pay debt. If the Company can't sell the vehicle that had been confiscated or it is sold at a lower price than the debt value, there will be an effect on the Company's financial position and performance.

To reduce these risks, the Company will inspect and evaluate the guarantee before providing a lease, tthe Customers need to pay at least 30-70 percent of the total value of the vehicle dependent on the type of vehicle. The remaining value of the vehicle will be lower than the market price, reducing the risk from the price rapidly declining on new vehicles. Tthe Company will sell a vehicle immediately after confiscation. For sell price, the Company will evaluate the remaining payable debt, which is usually lower than market price, that will give the Company more flexibility in selling the vehicle. In case the sale price was lower than the outstanding debt, the customer needs to pay the remainder, if the customer can't pay the guarantor must pay instead. As the loan agreement clearly states it in detail, Confiscated vehicles, when sold at a higher price than the outstanding debt, result in the Company refunding the difference between the outstanding dept and the vehicle sale price to the Customer.

3. Current business

Word explanation:
The word “Vehicles” in this title means Motorcycles and Cars

3.1 Business model

Leasing business is a type of financial service, which is between 3 parties: 1) Leasing Company, 2) Dealer and 3) Customer.

In some cases, there are only two parties: Leasing Company and Customer (which maybe an individual, a retail store or a second hand product store)

Leasing services start with the Customer who wants to buy Vehicle by paying installments to a vehicle dealer, they can choose to use leasing services offered by the Company. The Customer has to pay a down payment, the rest will be payed to the dealer on the condition that the customer signs a leasing contract with the Company. The customer has an obligation to pay the installments and use the vehicle under the terms of the leasing contract. After completing the leasing contract, the ownership of the vehicle will be transferred to the customer completely.

The customer can access leasing services through a Dealer who is a partner of the Company. The Company has staff, who are located at those shops to provide leasing services. The staff make it convenient for customers, as the Customer does not need to apply for leasing at the Company’s office.

We can see that the Dealer is an important factor of marketing for the Company because most customers, who want to buy a vehicle, will likely go to the dealership. Building good relationships with dealers is very important in order to: reach and expand the customer base in the future, make good impressions and provide satisfactory services and meet the demands of customer vehicle usage. The Company has set an internal working process, providing leasing approval within 1 day.

To prevent the risk of NPL, the Company focuses on procedure and verification of customer information. Company staff must go to customer’s home to check the information provided. Also, the background of the customer is verified through: the chief of the customer’s village, the Company database system (for returning customers) and Credit Information Bureau (CIB). The Company requires a guarantor for every leasing contract or co-leasehold to reduce the risk from customers that cannot pay the installment on time. In addition, the Company has focused on systematic and effective management and debt reporting. The debt classification system is able to accurately show the company’s credit quality. Other factors of risk protection include: determining appropriateness of Customer, type of vehicle, down payment rate, an appropriate payment period, responsible staff and considering both quantitative and qualitative criteria of debtors. The factors as mentions will help Company to prevent other risks.

3.2 Characteristics of services

The consideration of the characteristics of vehicle leasing services, can be divided into 3 types of services such as 1. Motorcycle leasing service, 2. Car leasing service and 3. Refinance

1) Motorcycle leasing service

The Company provides New and second-hand motorcycle leasing service, focusing on well-known Japanese brands including: Honda, Yamaha and Suzuki. About 90% of all motorcycle leases are Honda.

The Second-hand motorcycle leasing service sources vehicles through second-hand motorcycle dealers and motorcycles confiscated from customers who cannot comply with the leasing contract. For the confiscated motorcycles, the Company will either have an auction or sell off to the market, Customers are people who are interested in a good quality Japanese second-hand motorcycles that can bought or leased from the Company.

Price of the motorcycle lease, installments and payment period will depend on the customer's ability to pay, which is in accordance with the down payment rate, the type/brand of motorcycle and the motorcycle price. Currently, customers can access motorcycle leasing services through the dealer partner. More than 70 shops in Vientiane capital and surrounding provinces have company branches.

2) Car leasing service

The Company provides new and second-hand car leasing services. Currently, the Company is mainly focused on second-hand cars, most of them are cars and pick-ups from favorite Japanese brands like: TOYOTA, ISUZU, and NISSAN.

To set the financial amount for car leasing, installments and payment period, an evaluation of: the customer's ability to make payment, the down payment rate, the type/brand of the car, price and the condition of the car – usage age (second-hand car) is carried out. The customer can pay the installments over a maximum of 60 months (5 years).

The second-hand car leasing service provided by the Company will carry higher risk from asset quality when compared to the new car leasing service. The Company therefore considers the factors of leasing approval: conditions and usage age of car, the benchmark price of the second-hand car on the market and the car's registered verification. Taking these factors into consideration, the Company's experienced leasing analysis staff check the conditions and price of second-hands cars to reduce risks. The Company also helps check customer car quality, providing good quality second-hand cars, improve the level of second-hand car leasing service from the Company.

4 Financial and Operating Results

4.1 Financial Statement

Summary of Audited Financial Report

The law of initial public offering issuing No.05/LSC on 28th Jan 2019 of the LSCO which states that the Company must be issued an annual audited financial statement by an/the external auditor which is approved by Lao Securities Commission Officer. The Financial Statement at the 31 December 2020 was reviewed by the external auditor who gives the unqualified conclusion as reported below:

Summary of Audited Financial Report

Audited Financial Report	The Financial Statement for 2020
External Auditor	(Ernst & Young Lao Co., Ltd) which is approved by Lao Securities Commission Office
Report Opinion	Unqualified Conclusion
External Auditor *Opinion*	We have audited the special purpose financial statements of Lao ASEAN Leasing Public Company ("the Company"), which comprise the statement of financial position as at 31 December 2020, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies ("the financial statements").
Basis for Opinion	We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in Lao PDR, and we have fulfilled our other ethical responsibilities in accordance these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

4.2 Summary Table of Financial Statement and Operating Results

4.2.1 Balance Sheet

Balance Sheet	31-Dec-19		31-Dec-20	
	Million Kip	%	Million Kip	%
ASSETS				
Current assets				
Cash and cash equivalents	336,866	34%	92,901	13%
Deposit with the Bank of Lao	1,667	0.16%	1,969	0.26%
Hire purchase receivables –current portion	296,846	30%	470,748	64%
Loan to related parties	-	0%	-	0%
Other assets	19,815	2%	11,404	2%
Total current assets	**655,195**	**66%**	**582,255**	**80%**
Non-current assets				
Hire purchase receivables – non-current portion	331,597	34%	146,793	20%
Property and equipment	2,714	0.27%	2,228	0.30%
Other non-current assets	292	0.03%	204	0.03%
Total non-current assets	**334,604**	**34%**	**149,225**	**20%**
TOTAL ASSETS	**989,799**	**100%**	**731,480**	**100%**
LIABILITIES				
Current liabilities				
Statutory obligations	75,855	8%	88,170	12%
Short-term borrowings	5,813	0.58%	9,278	1.27%
Other liabilities	2,845	0.28%	4,746	0.65%
Total current liabilities	**84,513**	**9%**	**102,194**	**14%**
Non-current liabilities				
Long-term borrowings	501,169	51%	105,301	14%
Due to related parties	6,357	0.64%	-	-
Total non-current liabilities	**507,526**	**51%**	**105,301**	**14%**
TOTAL LIABILITIES	**592,039**	**60%**	**207,495**	**28%**
EQUITY				
Registered paid-up capital	30,150	3.04%	30,150	4.12%
Share premium	155,498	16%	155,498	21%
Other capital	290	0.02%	290	0.04%
Retained earnings	211,822	21%	338,047	46%
TOTAL EQUITY	**397,760**	**40%**	**523,985**	**72%**
TOTAL LIABILITIES AND EQUITY	**989,799**	**100%**	**731,480**	**100%**

4.2.2 Income Statement

Income Statement	31-Dec-19		31-Dec-20	
	Million Kip	%	Million Kip	%
Interest income calculated using the effective interest method	255,931	277%	231,983	184%
Other interest and similar income	6,513	7%	19,326	15%
Interest and similar expense	-15,886	-17%	-44,576	-35%
Net interest income	**246,558**	**267%**	**206,734**	**164%**
Fees and commission income	-	0%	-	0%
Fees and commission expense	-11,097	-12%	-9,784	-8%
Net fees and commission income	**-11,097**	**-12%**	**-9,784**	**-8%**
Net foreign exchange (loss)/gain	5,993	6.49%	5,385	4.26%
Other operating income	9,372	10%	-	0%
Total operating income	**250,827**	**272%**	**203,669**	**161%**
Change in allowance for impairment losses	-33,817	-37%	10,167	8.25%
NET OPERATING INCOME	**217,010**	**235%**	**213,836**	**169%**
Personnel expenses	-38,611	-42%	-30,690	-24%
Depreciation of property and equipment	-1,343	-1.45%	-988	-0.78%
Other operating expenses	-46,566	-50%	-35,238	-28%
TOTAL OPERATING EXPENSES	**-86,521**	**-94%**	**-66,916**	**-53%**
PROFIT BEFORE TAX	**130,489**	**141%**	**146,920**	**116%**
Current profit tax expense	-38,189	-41%	-20,695	-16%
NET PROFIT FOR THE PERIOD	**92,301**	**100%**	**126,225**	**100%**
Other comprehensive income	-	0%	-	0%
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**92,301**	**100%**	**126,225**	**100%**

4.2.3 Cash Flow Statement

Cash Flow Statement	31/12/2019	31/12/2020
	Million Kip	Million Kip
OPERATING ACTIVITIES		
Profit before tax	**130,489**	**146,920**
Adjustments for:	-	-
Depreciation charges	1,343	988
Change in allowance for impairment losses	33,817	(10,167)
Write-off of borrowing	14,539	-
Net foreign exchange loss	(9,011)	-
Interest expenses	15,886	44,576
Net foreign exchange (gain)/loss	12,797	(6,113)
Change in operating assets	-	-
Net change in hire purchase receivables	(56,063)	38,167
Net change in loans to related parties	10,040	(5,234)
Net change in other assets	(413)	8,198
Change in operating liabilities	-	-
Net change in due to related parties	(40,275)	-
Net change in other liabilities	(39,552)	(4,020)
Interest paid	(284)	(49,282)
Profit tax paid	(9,473)	(7,052)
Net cash flows from operating activities	**63,840**	**156,982**
INVESTING ACTIVITIES	**-**	**-**
Acquisitions of property and equipment	(1,743)	(503)
Net cash flows used in investing activities	**(1,743)**	**(503)**
FINANCING ACTIVITIES	**-**	**-**
Capital contribution and issuance of shares	161,528	-
Borrowing drawdown	8,600	17,912
Borrowing repayment	(6,707)	(418,357)
Net cash flows used in financing activities	**163,421**	**(400,445)**
Net change in cash and cash equivalents	**225,518**	**(243,966)**
Cash and cash equivalents at the beginning of the period	**111,349**	**336,866**
Cash and cash equivalents at the end of the period	**336,866**	**92,901**

4.2.5 Financial Analysis and Past Performance

Lao Asian Leasing Public Company provides new and second-hand car leasing services. Currently, the Company is mainly focused on Japan vehicle brand. Currently, it provides leasing services in Vientiane capital and other provinces such as: Huapand, Xienkhouang, Luangprabang, Bolikhamxay, Savannakhet, Salavan and Champasack which has dealer partners of cars and motocycles more than 100 shops.

The Company targets customers for motorcycle and car leasing service. The target groups are retail customers who have a career and stable income such as government staff, employees from private sectors, merchants and private workers that want to buy vehicle using installment payment. Price of the motorcycle lease, installments and payment period will depend on the customer's ability to pay, which is in accordance with the down payment rate, the type/brand of motorcycle and the motorcycle price**.** Customers can choose to pay the installment from 6 to 60 months.

To prevent the risk of NPL, the Company focuses on procedure and verification of customer information. Company staff must go to customer's house to check the information provided. Also, the background of the customer is verified through: the chief of the customer's village, the Company database system (for returning customers) and Credit Information Bureau (CIB). The Company requires a guarantor for every leasing contract or co-leasehold to reduce the risk from customers that cannot pay the installment on time. In addition, the Company has focused on systematic and effective management and debt reporting. The debt classification system is able to accurately show the company's credit quality. Other factors of risk protection include: determining appropriateness of Customer, type of vehicle, down payment rate, an appropriate payment period, responsible staff and considering both quantitative and qualitative criteria of debtors. The factors as mentions will help Company to prevent other risks.

The analysis and explanation of the business operating result and financial position as on 31st December 2020 as detailed below:

4.2.6 Operating Results

1.) Revenues

Income statement	31-12-2019		31-12-2020	
	Million Kip	%	Million Kip	%
Interest income calculated using the effective interest method	255,931	92.12%	231,983	89.91%
Other interest and similar income	6,513	2.34%	19,326	7.49%
Net foreign exchange gain	5,993	2.16%	5,385	2.09%
Other operating income	9,372	3%	1,335	0.52%
Total revenues	**277,809**	**100.00%**	**258,030**	**100.00%**

In the Income statement, the Company reported Total Revenues including: Interest Income Calculated Using The Effective Interest Method, Fees And Commission Income, Net Foreign Exchange Gain and Other Operating Incomes. In 2019 and 2020, the Company had Total Revenue 277,809 million LAK and 258,030 million LAK respectively. The main incomes were from interest and similar income which covered more than 89.91% of total revenues.

In 2019 and 2020 the Interest Income Calculated Using The Effective Interest Method were equal to LAK 6,513 million and LAK 19.326 million or equal to 2.34 % and 7.49 % of Total Revenue respectively.

2.) Expenses

Income statement	31-12-2019		31-12-2020	
	Million Kip	%	Million Kip	%
Interest expense calculated using the effective interest method	15,886	8.56%	44,576	33.82%
Fees and commission expense	11,097	5.98%	9,784	7.42%
Net loss foreign exchange		-	-	0.00%
Change in allowance or impairment losses	33,817	18%	-10,167	-7.71%
Operating expenses	86,521	46.64%	66,916	50.77%
Others operating expenses	38,189	20.59%	20,695	15.70%
Total expenses	**185,509**	**100.00%**	**131,804**	**100.00%**

in 2019 and 2020, the Company had Total Expenses equal to LAK 185,509 million and LAK 131,804 million respectively. It had decreased due to Covid-19 has affected the overall operations of the Company.

In 2019 and 2020, Interest Expense Calculated Using the Effective Interest Method were equal to LAK 15,886 million and LAK 44,576 million or 8.56% and 33.72% of Total Expenses respectively.

The Operating Expenses of the Company included Personnel Expense, Depreciation of Property and Equipment and Others Operating Expenses. The Company's operating expenses in 2019 and 2020 were LAK 86,521 million and LAK 66,916 million or 46.64% and 50.77% of Total Expenses respectively, seeing that, it had decreased due to impact of Covid-19 situation.

3.) Net profit and Net Profit Margin

Ratio	Unit	31-12-2019	31-12-2020
Total revenues	Million LAK	277,809	258,030
Net profit	Million LAK	92,301	126,225
Net profit margin	%	33.22%	48.92%

In 2019 and 2020, the Company's net profit was equal to LAK 92,301 million and LAK 126,225 million or 33.22% and 48.92% of the Net Profit margin respectively.

4.3 Financial Position of the Company

4.3.1 Total Assets

Balance sheet	31-12-2019		31-12-2020	
	Million Kip	%	Million Kip	%
Asset				
Current assets				
Cash and Cash equivalents	336,866	34%	92,901	13%
Deposit with BOL	1,667	0.17%	1,969	0.27%
Hire purchase receivable-current portion	296,846	30%	470,748	64%
Loan to related Party	0	0%	5,234	1%
Othe assets	19,815	2%	11,404	2%
Total current assets	**655,195**	**66%**	**582,255**	**80%**
Non-Current assets				
Hire purchase receivable-non-current portion	331,597	33.50%	146,793	20%
Loans to related parties	-	-		-
Property and equipment	2,714	0.27%	2,228	0%
Other noncurrent assets	292	0.03%	204	0%
Total Non-Current assets	**334,604**	**34%**	**149,225**	**20%**
Total assets	**989,799**	**100%**	**731,480**	**100%**

In 2019 and 2020, the Company had Total Assets equal to LAK 989,799 million and LAK 731,480 million respectively. The main asset was Hire Purchase Receivable, equal to LAK 628,443 million and LAK 617,541 million or equivalent to 63.49% and 84.42% of total assets respectively.

4.3.2 Total Liabilities

Balance sheet	31-12-2019		31-12-2020	
	Million Kip	%	Million Kip	%
Liabilities				
Current Liabilities				
Statory obligations	75,855	12.81%	88,170	42.49%
Short-term borowings	5,813	0.98%	9,278	4.47%
Other liabilities	2,845	0.48%	4,746	2.29%
Total current liabilities	**84,513**	**14.27%**	**102,194**	**49.25%**
Non-current liabilities				
Long-term borrowings	501,169	84.65%	105,301	50.75%
Due to related parties	6,357	1.07%	-	-
Total non-current liabilities	**507,526**	**85.73%**	**105,301**	**50.75%**
Total liabilities	**592,039**	**100.00%**	**207,495**	**100.00%**

In 2019 and 2020, the Company had Total Liabilities equal to LAK 592,039 million and LAK 207,495 million or 59.81% and 28.37% of Total Assets respectively. The main Liability was the Long-Term Borrowing equal to LAK 501,169 million and LAK 105,301 million, or 84.65% and 50.75% of Total Liabilities respectively.

4.3.3 Source of funds

Source of funds	31-12-2019		31-12-2020	
	Million Kip	%	Million Kip	%
Shareholder's equity	397,760	43.94%	523,985	83.27%
Long-term borrowings and Due to related parties	507,526	56.06%	105,301	16.73%
Total	**905,286**	**100.00%**	**629,286**	**100.00%**

In 2019 and 2020, the Company had Sources of Fund equal to LAK 905,286 million and LAK 629,286 million respectively. In that, the main Source of Fund was from Long-Term Borrowings and due to related parties .

In 2019 and 2020, the Company had shareholders' Equity equal to LAK 397,760 million and LAK 523,985 million or 43.94% and 83.27% of Sources of Fund respectively. Business direction and good practice in business operations resulted in an increase of profits despite of Covid-19 situation.

4.4 Liquidity of the Company

Cashflow statement	31-12-2019	31-12-2020
	Million Kip	Million Kip
Net Cash flows from operating activities	63,840	156,982
Net Cash flows from investment activities	-1,743	-503
Net Cash flows from financing activities	163,421	-400,445
Net change in cash and cash equivalents	38,167	-6,776
Cash and cash equivalents at the beginning of the year	111,349	336,866
Impact of exchange rate	-	-
Cash and cash equivalents at the end of the year	336,866	92,901

The vehicle leasing business operation is the main income of the Company's leasing business, the income comes from interest from leasing customers. The Company is not a deposit financial institution. The Company's major sources of funding for vehicle leasing must come from Shareholders' equity and loans. When the Company wants to further expand its vehicle leasing service, the operating cash flow will be minus number (Paying the bill to the Dealer for the vehicle, then receiving installments from Customer as per the leasing contract) which is the normal nature of leasing business operation. The operating cash flow is then off set by Cash flow from financing activities to bring liquidity to the Company.

In 2019 and 2020, the Company had Net Cash Flows from Operating Activities equal to LAK 63,840 million and LAK 156,982 million respectively.

In 2019 and 2020, the Company had Net Cash Flows from Investment Activities equal to LAK -1,743 million and LAK -503 respectively.

In 2020, the Company had Net Cash Flows from Financing Activities equal to LAK -400,445 million mainly due to loan repayment.

In 2019 and 2020, the Company had Cash and cash equivalents equal to LAK 336,866 million and LAK 92,901 million respectively. Overall, the Company had financial liquidity which was managed appropriately to support the growth of business in the past.

4.5 Key Financial Ratios

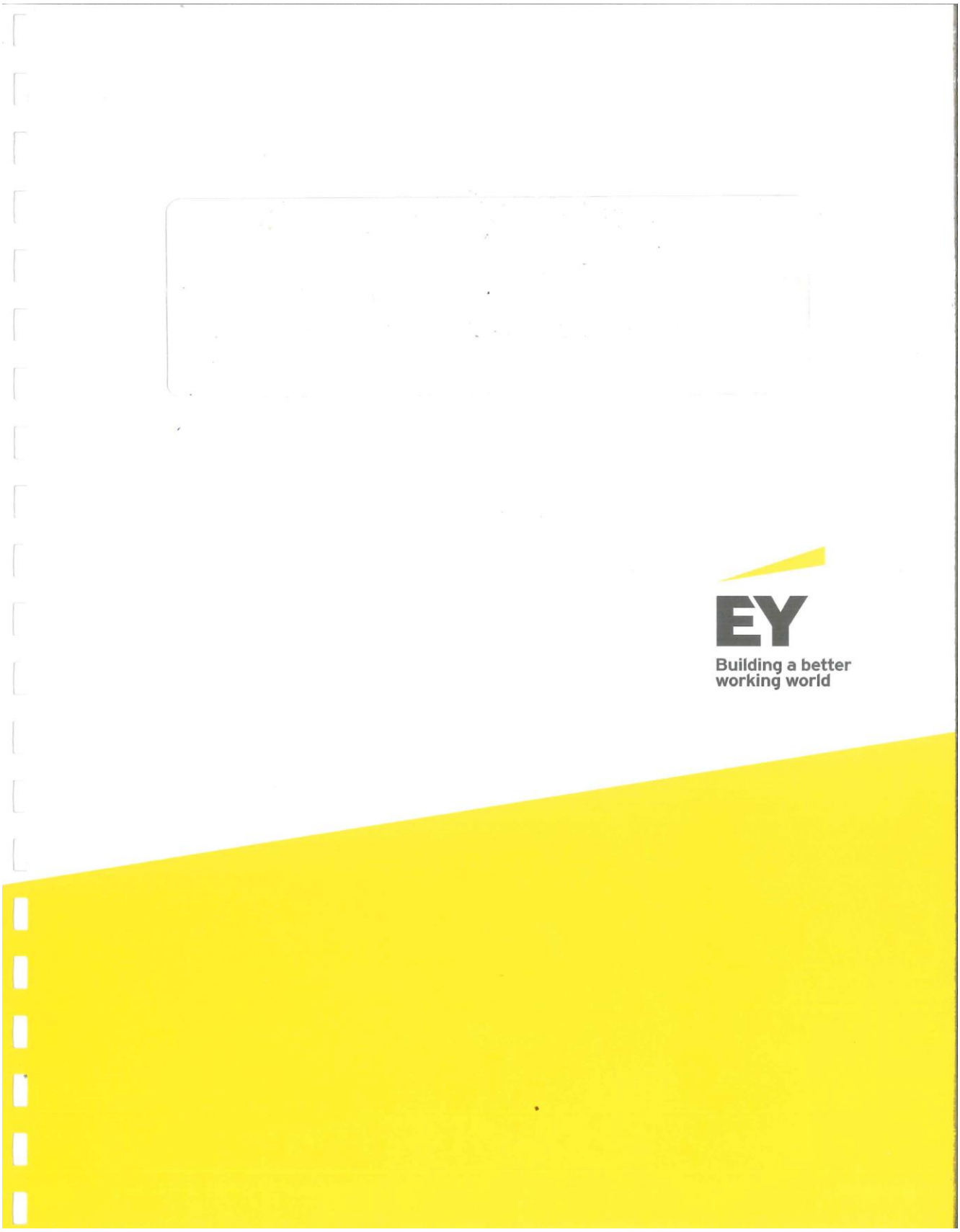
Ratio	Unit	2019	2020
Profitability ratio			
Rate for interest receive	%	64.34	36.14
Net profit margin	%	33.22	48.92
Return on equity	%	23.21	24.09
Efficiency ratio			
Return on asset	%	9.33	17.26
Total assets turnover	%	21.92	29.23
Financial policy ratio			
Debt to equity ratio	%	127	21.87
Dividend payout ratio	%	N/A	

In 2019 and 2020, the Company had Net Profit Margin equal to 33.22% and 48.92% respectively. The effective rate shows the Company had ability to make more profit.

In 2019 and 2020, the Company had the Return on Assets equal to 23.21% and 24.09% respectively. The Total Assets Turnover rate was equal to 21.92% and 29.23% respectively. It showed stableness on the rate and the that the operating performance was very high when comparing to other businesses in the same sector despite the Covid-19 overall negative impacts.

Ms. Risa Yamaguchi
General Director

Mr. Adnan Ghani
Chief Financial Officer


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Lao ASEAN Leasing Public Company

Special Purpose Financial Statements

For the year ended 31 December 2020

Lao ASEAN Leasing Public Company

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Lao ASEAN Leasing Public Company

GENERAL INFORMATION

THE COMPANY

Lao ASEAN Leasing Public Company ("the Company"), formerly known as Lao ASEAN Leasing Company Limited, is a public company incorporated in Lao PDR in accordance with Enterprise Registration No.081/ELSD issued by the Enterprise Licensing and Supervision Department, Ministry of Industry and Commerce on 5 February 2015 and the latest amendment which is Enterprise Registration No. 0222/ELSD dated 19 February 2019. The Company was granted approval from the Bank of Lao PDR (the "BOL") on 2 February 2015 and the latest amendment on 14 September 2017 for conducting its leasing activities.

The principal business operation of the Company is to provide hire-purchase services through providing credit line for individual and corporate customers to buy motorcycles and cars.

Paid-up capital

The Company's registered paid-up capital as at 31 December 2020 is LAK 30,150,000,000.

Location

The Company's head office is located at 2nd Floor, NNN building, Phonsinuan Village, Sisattanak District, Vientiane Capital, Lao PDR.

THE BOARD OF DIRECTORS

Members of the Board of Directors as at the date of this report are as follows:

Name	*Position*	*Date of appointment*
Mrs. Yuki Scott	Chairwoman	Appointed on 19 December 2019
Ms. Makiko Oikawa	Vice-chairman	Appointed on 19 December 2019
Mr. Tomofumi Suematsu	Member	Appointed on 19 December 2019
Mr. Tomohiro Yoshida	Member	Appointed on 19 December 2019
Mrs. Harumi Ide	Member	Appointed on 19 December 2019

LEGAL REPRESENTATIVE

The legal representative of the Company as at the date of this report is as below:

Name	*Position*	*Date of appointment*
Ms. Risa Yamaguchi	General Director	Appointed on 9 January 2020

AUDITORS

The auditors of the Company are Ernst & Young Lao Co., Ltd.

Lao ASEAN Leasing Public Company

REPORT OF MANAGEMENT

The Management of Lao ASEAN Leasing Public Company ("the Company") is pleased to present its report and the Company's financial statements as at and for the year ended 31 December 2020.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

Management is responsible for the financial statements of each financial year which give a true and fair view of the financial position of the Company and its operational results and cash flows for the year. In preparing those financial statements, management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the accounting records comply with an appropriate accounting framework. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the accounting policies as described in Note 5 to the financial statements.

For and on behalf of Management:

Ms. Risa Yamaguchi
General Director

Vientiane Capital, Lao PDR

18 August 2021

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Ernst & Young Lao Co., Ltd
6th floor, Kolao Tower I, 23 Singha Road
Nongbone Village, Saysettha District
Vientiane Capital, Lao P.D.R.

Tel: +856 21 455 077
Fax: +856 21 455 078
ey.com

Reference: 61235186/22321683

INDEPENDENT AUDITORS' REPORT

To: The shareholders of Lao ASEAN Leasing Public Company

Opinion

We have audited the special purpose financial statements of Lao ASEAN Leasing Public Company ("the Company"), which comprise the statement of financial position as at 31 December 2020, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies ("the financial statements").

In our opinion, the financial statements of the Company for the year ended 31 December 2020 are prepared, in all material respects, in accordance with the accounting policies as described in Note 5 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in Lao PDR, and we have fulfilled our other ethical responsibilities in accordance these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

We draw attention to:

- Note 17 to the financial statements which disclosed a difference of profit tax payable as at 31 December 2020 between the amount recognised in the financial statements and the Tax Inspection Conclusion. It may result in future obligations levied by the Tax Authority.

- Note 4 Changes in accounting policies and disclosures. Starting from 1 January 2020, the Company has changed its policy on recognition and measurement of impairment of financial instruments, and accordingly presented the impacts of these foregoing changes in accounting policies to the previous year's financial statements in Note 31 – Restatement of prior year's financial statements due to changes in accounting policies.

- Note 2 to the financial statements, which describes the basis of preparation, under which the accounting policies used and disclosures made are not intended to, and do not, comply with all the requirements of International Financial Reporting Standards.

Our opinion is not modified in respect of these matters.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Allowance for impairment of hire-purchase receivables

Refer to summary of significant accounting polices in Note 5, critical accounting estimates and judgements in in Note 6, and allowance for impairment of hire-purchases receivables in Note 14 of the financial statements. As at 31 December 2020, the Company had LAK 659 billion of hire purchase receivables representing 84% of total assets, and the Company has recognized LAK 42 billion of allowances for Expected Credit Loss ("ECL") related to these hire-purchase receivables. This is a key audit matter as significant judgement is involved to determine the provisions for doubtful debts.

Key areas of judgement included:

- the interpretation of the requirements to determine impairment under application of IFRS 9 - Financial Instruments, which is reflected in the Company's expected credit loss model;
- the identification of exposures with a significant increases in credit risk;
- assumptions used in the expected credit loss model including, but not limited to, the financial condition of the counterparty, expected future cash flows and forward-looking macroeconomic factors (e.g. gross domestic product growth, etc); and
- the need to apply additional overlays to reflect current or future external factors that are not appropriately captured by the expected credit loss model.

In conjunction with Actuarial and IT specialists in areas that required specific expertise our procedures to address the key audit matter included:

- We assessed the modelling techniques/methodology against the requirements of IFRS 9-Financial Instruments.
- We assessed and tested the design and operating effectiveness of the controls over the:
  - the completeness and accuracy of data used to determine the allowance for ECL, including transactional data captured at hire-purchase origination, ongoing internal credit quality assessments, storage of data in data warehouses and interfaces to the expected credit loss model.
  - expected credit loss model, including model build and approval, ongoing monitoring/validation, model governance and mathematical accuracy.
- We assessed and tested the material modelling assumptions as well as overlays with a focus on the:
  - key modelling assumptions adopted by the Company including comparing to market and historic experience ;
  - basis for and data used to determine overlays; and
  - sensitivity of the collective provisions to changes in modelling assumptions.
- We examined a sample of exposures and performed procedures to evaluate the:

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- timely identification of exposures with a significant deterioration in credit quality; and
- expected loss calculation for exposures assessed on an individual basis.

- In addition, we assessed the adequacy of the disclosures in the Financial Report against the requirements of the special accounting framework applied.

We involved Actuarial and IT specialists in areas that required specific expertise (i.e. data reliability and the expected credit loss model).

Responsibilities of the Company's Management for the Financial Statements

The Company's management is responsible for the preparation of the financial statements in accordance with the accounting policies as described in Note 5 to the financial statements and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We communicate with the Company's management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For and on behalf of Ernst & Young Lao Co.,Ltd

ERNST & YOUNG LAO CO.,LTD

Trinh Hoang Anh
Partner

Vientiane Capital, Lao PDR

18 August 2021

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Lao ASEAN Leasing Public Company

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2020

	Notes	2020 LAK	2019 (restated) LAK
Interest and similar income		231,983,384,223	255,930,576,723
Other interest and similar income		19,326,467,950	6,512,899,181
Interest and similar expense		(44,576,285,134)	(15,885,810,357)
Net interest income	**7**	**206,733,567,039**	**246,557,665,547**
Fees and commission income		-	-
Fees and commission expense	8	(9,784,019,312)	(11,096,708,551)
Net fees and commission income		**(9,784,019,312)**	**(11,096,708,551)**
Net foreign exchange gain/(loss)		5,385,128,847	5,993,494,780
Other operating income/(expense)	9	1,334,558,290	9,372,109,752
Total operating income		**203,669,234,864**	**250,826,561,528**
Change in allowance for impairment losses	14.2	10,166,696,685	(33,816,837,595)
NET OPERATING INCOME		**213,835,931,549**	**217,009,723,933**
Personnel expenses	10	(30,689,830,127)	(38,611,311,405)
Depreciation of property and equipment	16	(988,360,672)	(1,343,340,899)
Other operating expenses	11	(35,237,763,517)	(46,565,952,672)
TOTAL OPERATING EXPENSES		**(66,915,954,316)**	**(86,520,604,976)**
PROFIT BEFORE TAX		**146,919,977,234**	**130,489,118,957**
Current profit tax expense	19	(20,694,852,744)	(38,188,585,823)
NET PROFIT FOR THE YEAR		**126,225,124,490**	**92,300,533,134**
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**126,225,124,490**	**92,300,533,134**
Earnings per share			
Basic, profit for the year attributable to ordinary equity holders	20	419	350

Ms. Risa Yamaguchi
General Director

Mr. Adnan Ghani
Chief Financial Officer

Vientiane Capital, Lao PDR

18 August 2021

Lao ASEAN Leasing Public Company

STATEMENT OF FINANCIAL POSITION
as at 31 December 2020

	Notes	31 December 2020 LAK	31 December 2019 (restated) LAK
ASSETS			
Current assets			
Cash and cash equivalents	12	92,900,530,090	336,866,272,315
Deposit with Bank of the Lao PDR ("BOL")	13	1,968,900,000	1,667,400,000
Hire purchase receivables – current portion	14	470,747,714,292	296,845,940,995
Loan to related parties	22	5,233,900,000	-
Other current assets	15	11,404,014,665	19,815,434,179
Total current assets		**582,255,059,047**	**655,195,047,489**
Non-current assets			
Hire purchase receivables – non-current portion	14	146,793,146,336	331,597,361,828
Property and equipment	16	2,228,114,389	2,713,928,693
Other non current assets		203,975,082	292,466,164
Total non-current assets		**149,225,235,807**	**334,603,756,685**
TOTAL ASSETS		**731,480,294,854**	**989,798,804,174**
LIABILITIES			
Current liabilities			
Statutory obligations	17	88,170,186,528	75,855,488,988
Short-term borowings	18	9,277,676,355	5,812,911,034
Other current liabilities		4,746,003,449	2,844,791,336
Total current liabilities		**102,193,866,332**	**84,513,191,358**
Non-current liabilities			
Long-term borrowings	18	105,301,306,355	501,168,757,172
Due to related parties		-	6,356,857,967
Total non-current liabilities		**105,301,306,355**	**507,525,615,139**
TOTAL LIABILITIES		**207,495,172,687**	**592,038,806,497**
EQUITY			
Registered paid-up capital	21	30,150,000,000	30,150,000,000
Share premium		155,497,646,314	155,497,646,314
Other capital		290,000,000	290,000,000
Retained earnings		338,047,475,853	211,822,351,363
TOTAL EQUITY		**523,985,122,167**	**397,759,997,677**
TOTAL LIABILITIES AND EQUITY		**731,480,294,854**	**989,798,804,174**

Ms. Risa Yamaguchi
General Director

Mr. Adnan Ghani
Chief Financial Officer

Vientiane Capital, Lao PDR

18 August 2021

Lao ASEAN Leasing Public Company

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2020

	Registered paid-up capital LAK	*Share premium LAK*	*Other capital LAK*	*Retained earnings (restated) LAK*	*Total LAK*
Balances at 1 January 2019	24,120,000,000	-	290,000,000	119,521,818,229	143,931,818,229
Capital contribution	6,030,000,000	155,497,646,314	-	-	161,527,646,314
Profit for the year	-	-	-	92,300,533,134	92,300,533,134
Balances as at 31 December 2019	**30,150,000,000**	**155,497,646,314**	**290,000,000**	**211,822,351,363**	**397,759,997,677**
Profit for the year	-	-	-	126,225,124,490	126,225,124,490
Balances as at 31 December 2020	**30,150,000,000**	**155,497,646,314**	**290,000,000**	**338,047,475,853**	**523,985,122,167**

Ms. Risa Yamaguchi
General Director

Mr. Adnan Ghani
Chief Financial Officer

Vientiane Capital, Lao PDR

18 August 2021

Lao ASEAN Leasing Public Company

STATEMENT OF CASH FLOWS
for the year ended 31 December 2020

	Notes	2020 LAK	2019 (restated) LAK
OPERATING ACTIVITIES			
Profit before tax		146,919,977,234	130,489,118,957
Adjustments for:			
Depreciation and amortization charges	16	988,360,672	1,343,340,899
Change in allowance for impairment losses	14	(10,166,696,685)	33,816,837,595
Write-off of advance to related parties		-	14,538,967,740
Write-off of borrowing		-	(9,010,780,128)
Interest expenses		44,576,285,134	15,885,810,357
Net foreign exchange (gain)/loss		(6,112,730,788)	12,796,989,958
Change in operating assets			
Net change in hire purchase receivables		38,166,896,437	(56,062,806,177)
Net change in loans to related parties		(5,233,900,000)	10,039,792,707
Net change in other assets		8,198,410,596	(413,367,854)
Change in operating liabilities			
Net change in due to related parties		-	(40,274,675,543)
Net change in other liabilities		(4,020,045,275)	(39,552,034,518)
Interest paid		(49,282,127,794)	(284,447,058)
Profit tax paid		(7,052,420,795)	(9,472,703,877)
Net cash flows from operating activities		**156,982,008,736**	**63,840,043,058**
INVESTING ACTIVITIES			
Acquisitions of property and equipment		(502,546,368)	(1,743,060,984)
Net cash flows used in investing activities		**(502,546,368)**	**(1,743,060,984)**
FINANCING ACTIVITIES			
Capital contribution and issuance of shares		-	161,527,646,314
Borrowing drawdown		17,912,000,000	8,600,000,000
Borrowing repayment		(418,357,204,593)	(6,706,881,766)
Net cash flows from/(used in) financing activities		**(400,445,204,593)**	**163,420,764,548**
Net change in cash and cash equivalents		**(243,965,742,225)**	**225,517,746,622**
Cash and cash equivalents at the beginning of the year	**12**	**336,866,272,315**	**111,348,525,693**
Cash and cash equivalents at the end of the year	**12**	**92,900,530,090**	**336,866,272,315**

Ms. Risa Yamaguchi
General Director

Mr. Adnan Ghani
Chief Financial Officer

Vientiane Capital, Lao PDR

18 August 2021

Business Plan of 2021

1. Marketing

The Company has planned to increase the number of new booking loan about 15 percent from 2020 in term of number of contract and more than 15 percent in term of amount, which is a little bit higher than the growth from 2020 performance. The main strategies are below:

a. Maintains the market share in Vientiane Capital.
b. Increase the market share in Savannakhet Province, Champasack and Luang Prabang.
c. Develop the new marketing channel thru social media and new technology.

2. Borrowing

Based on the Business plan for 2021, which the Company expected to expand business by increase the number of new booking loan, therefore the Company need the new loan facility about USD 10 million.

3. Employee

At the end of 2021 the Company plans to have 669 people of the company staff, which increased from 2020 about 80 people due to business expansion.

ຄຳແນະນຳກ່ຽວກັບການລົງຄະແນນສຽງ

Instruction for vote

1. ຜູ້ເຂົ້າຮ່ວມປະຊຸມ ຈະໄດ້ຮັບບັດລົງຄະແນນສຽງໃນທຸກໆວາລະ ທີ່ຕ້ອງການໃຫ້ມີການລົງຄະແນນສຽງ ໃນເວລາລົງທະບຽນເຂົ້າຮ່ວມກອງປະຊຸມ, ການລົງຄະແນນສຽງໂດຍຜູ້ຕາງໜ້າ ຊຶ່ງຜູ້ຖືຮຸ້ນທີ່ຜູ້ມອບໝາຍສິດ ໄດ້ລະບຸຢ່າງຈະແຈ້ງແລ້ວກ່ຽວກັບການລົງຄະແນນສຽງໃນແຕ່ລະວາລະ ລອຊ ຈະບັນທຶກການລົງຄະແນນສຽງ ໃນເວລາລົງທະບຽນ ໂດຍທີ່ຜູ້ຕາງໜ້າຈະບໍ່ຕ້ອງລົງຄະແນນສຽງອີກ.
   The attendees will be given a ballot for voting in each agenda requiring a vote at the time of registration. For the case of proxy in which the voting in each agenda has been clearly specified by the shareholder in the Proxy, LALCO will record such voted at the time of the registration and the proxy will not be required to vote.

2. ກອງປະຊຸມ ຈະເຊີນພຽງແຕ່ຜູ້ຖືຮຸ້ນທ່ານໃດທີ່ ບໍ່ເຫັນດີ ຕໍ່ບັນຫາທີ່ກອງປະຊຸມໄດ້ນຳສະເໜີເທົ່ານັ້ນ ລົງຄະແນນສຽງ (ໝາຍຄວາມວ່າ ຜູ້ຖືຮຸ້ນທ່ານໃດທີ່ ເຫັນດີຕໍ່ການແຕ່ງຕັ້ງດັ່ງກ່າວ ກໍ່ບໍ່ຈະເປັນຕ້ອງລົງຄະແນນສຽງໃດໆ).
   Only the shareholders who DO NOT AGREE with the matters proposed by the meeting are invited to vote (meaning that for those who agree with such appointment are not necessary to make any vote.

3. ໃນການລົງຄະແນນສຽງ ຂໍໃຫ້ທ່ານປະກອບຂໍ້ມູນໃສ່ບັດລົງຄະແນນສຽງທີ່ໄດ້ແຈຍາຍໃຫ້. ໃນນັ້ນ, ຕ້ອງໄດ້ລະບຸຢ່າງຈະແຈ້ງກ່ຽວກັບຊື່ ແລະ ນາມສະກຸນຂອງທ່ານ, ຈຳນວນຮຸ້ນ ລອຊ ທີ່ທ່ານຖືຢູ່ ແລະ ໃຫ້ໝາຍຕີນກາໃສ່ຫ້ອງ ບໍ່ເຫັນດີ.
   To vote, kindly fill in the distributed ballot in which you must specify clearly about your name and surname, and the total number of LALCO shares you are holding and mark a cross in the Disapprove box.

4. ຫຼັງຈາກທ່ານລົງຄະແນນສຽງຮຽບຮ້ອຍແລ້ວ ຂໍໃຫ້ທ່ານຍົກບັດດັ່ງກ່າວຂຶ້ນ ເພື່ອໃຫ້ຄະນະຮັບຜິດຊອບເກັບເອົາ ແລະ ຮວບຮວມຄະແນນສຽງ
   After you have clearly casted your vote, kingly raise your hand with the ballot, so the organizers can take the ballot and count the votes.

5. ທ່ານຈະໄດ້ຮັບແຈ້ງກ່ຽວກັບການນັບຄະແນນໃນທີ່ປະຊຸມເລີຍ ໂດຍການນັບຄະແນນສຽງຈະຖືເອົາໜຶ່ງຮຸ້ນເທົ່າກັບໜຶ່ງຄະແນນສຽງ.
   You will be informed about the voting result right in the meeting with one share equals on vote.

6. ການລົງຄະແນນສຽງທີ່ບໍ່ເຫັນດີຈະມີຜົນສັກສິດ ກໍຕໍ່ເມື່ອມີຄະແນນສຽງຫຼາຍກວ່າເຄິ່ງໜຶ່ງຂອງຈຳນວນຮຸ້ນ ລອຊ ທັງໝົດໃນທີ່ປະຊຸມ

   The Disapproval votes will become effective only if such votes account for more than half of the total number of LALCO attending the meeting.

   ໝາຍເຫດ/Remark:

   1. ຜູ້ເຂົ້າຮ່ວມທີ່ບໍ່ໄດ້ລົງທະບຽນເຂົ້າປະຊຸມ ຈະບໍ່ມີສິດໃນການລົງຄະແນນສຽງ.
      Any attendees who failed to make registration will not be eligible to votes.
   2. ທຸກບັດລົງຄະແນນສຽງບໍ່ເຫັນດີຕໍ່ວາລະໃດໜຶ່ງທີ່ຖືກສົ່ງໃຫ້ທີ່ປະຊຸມ ຫຼັງຈາກທີ່ກອງປະຊຸມໄດ້ປະກາດຜົນການລົງຄະແນນຂອງວາລະນັ້ນແລ້ວ, ຈະຖືວ່າເປັນບັດລົງຄະແນນສຽງທີ່ໃຊ້ບໍ່ໄດ້.
      All disapprove votes in any Agenda which is submitted to the Meeting after the Meeting has announced the voting result of such Agenda shall be deemed invalid.

ຄຳແນະນຳກ່ຽວກັບເອກະສານ ແລະ ຫຼັກຖານທີ່ຕ້ອງນຳມາສະເໜີໂຕເພື່ອເຂົ້າຮ່ວມກອງປະຊຸມ

Instruction about the documents and evidence to be presented prior to attending the meeting

ເພື່ອຄວາມສະດວກໃນການລົງທະບຽນຜູ້ເຂົ້າຮ່ວມກອງປະຊຸມຜູ້ຖືຮຸ້ນສາມັນປະຈຳປີ 2020ຂອງ ບໍລິສັດ ລາວ ອາຊຽນ ເຊົ່າ ສິນເຊື່ອ ມະຫາຊົນ)ລອຊ(, ຜູ້ຖືຮຸ້ນ ແລະ ຜູ້ຕາງໜ້າ ທີ່ຈະເຂົ້າຮ່ວມກອງປະຊຸມ ກະລຸນາມາເອົາໜັງສືເຊີນປະຊຸມ, ໃບເຂົ້າຮ່ວມກອງປະຊຸມທີ່ອອກໃຫ້ໂດຍຕະຫຼາດຫຼັກຊັບລາວ ແລະ ໃບມອບສິດ)ສຳລັບຜູ້ຕາງໜ້າ (ມາພ້ອມເອກະສານທີ່ ສາມາດນຳໃຊ້ຢັ້ງຢືນຕົນເອງຕາມແຕ່ລະກໍລະນີດັ່ງນີ້:

For convenience in registration process to attend the Annual General Shareholders' Meeting for the Year 2020 of LAO ASEAN Leasing Public Company (LALCO), shareholders or the proxies who will attend the Meeting are required to bring the Invitation to the Meeting, the Letter for attending the meeting issued by the Lao Securities Exchange (LSX) and the Proxy (applicable for the proxy only) together with the documents for proof of identity as indicated for each circumstance below:

1. ຜູ້ເຂົ້າຮ່ວມທີ່ເປັນບຸກຄົນ /Individual attendee

   ໃຫ້ນຳເອົາເອກະສານໃດໜຶ່ງຂອງຕົນດັ່ງຕໍ່ໄປນີ້ ມາສະແດງເວລາລົງທະບຽນ

   Shall present on of the following documents of their won at the time of registration

   1.1 ບັດປະຈຳຕົວ/ Identification card

   1.2 ສຳມະໂນຄົວ/Family book

   1.3 ໜັງສືຜ່ານແດນ (ສຳລັບນັກລົງທຶນຕ່າງປະເທດ)/Passport (for foreign investors)

2. ຜູ້ເຂົ້າຮ່ວມທີ່ເປັນນິຕິບຸກຄົນ/ Entity attendees

   ໃຫ້ນຳເອົາເອກະສານໃດໜຶ່ງທີ່ກຳນົດໄວ້ໃນຂໍ້ 1 ເທິງນີ້ ພ້ອມກັບເອກະສານໃດໜຶ່ງດັ່ງຕໍ່ໄປນີ້ ມາສະແດງ ເວລາ ລົງທະບຽນ:

   Shall present one of the documents as given in the 1 above plus one of the following documents at the time of registration:

   2.1 ໃບອະນຸຍາດລົງທຶນ/Investment license

   2.2 ໃບທະບຽນວິສະຫະກິດ/ Certificate of Enterprise Registration

   2.3 ໃບທະບຽນອາກອນສະບັບຫຼ້າສຸດ/Recent Tax Certificate

   ສຳລັບຜູ້ເຂົ້າຮ່ວມທີ່ບໍ່ແມ່ນຜູ້ອຳນວຍການ ຕ້ອງໄດ້ນຳເອົາໃບມອບສິດຈາກຜູ້ອຳນວຍການທີ່ມີສິດອຳນາດ ມາພ້ອມຕື່ມ ອີກ

   For attendee who is not the authorized director shall have the Proxy as attached hereto signed by the authorized director.

ເອກະສານ ແລະ ຫຼັກຖານທີ່ຕ້ອງນໍາມາສະເໜີໂຕ ເພື່ອເຂົ້າຮ່ວມກອງປະຊຸມຊຶ່ງເປັນພາສາຕ່າງປະເທດ ຕ້ອງແປເປັນພາສາລາວ ໂດຍມີການເຊັນຢັ້ງຢືນຄວາມຖືກຕ້ອງໃນການແປຈາກບໍລິສັດແປພາສາທີ່ໜ້າເຊື່ອຖືໄດ້ .ສໍາລັບພາສາຕ່າງປະເທດແມ່ນອະນຸຍາດໃຫ້ສໍາລັບພາສາອັງກິດ .ລອຊ ມີສິດປະຕິເສດເອກະສານອ້າງອີງໃດໆ ທີ່ບໍ່ເປັນໄປຕາມການກໍານົດນີ້

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All documents and evidence in a foreign language which are required to present prior to attending the Meeting must be translated into Lao language and the translation shall be certified by an acceptable translation company. The foreign language is permitted only for English. LALCO has the right to reject any documents contradicting this provision.

CV of Board of Directors and CV of CFO (Information only)

1. Ms. Yuki Scott 	**Curriculum Vitae** Date of birth : 23 April 1978 Nationality : Japanese Langue : English Position : Chairman of the board directors,member of Remuneration committee of Lao ASEAN Leasing Public Company **Education** In 2001 : B.A. in Philosophy at Yalensis University, USA. **Experience in doing Business** In 2008 to now : Director of Bluebird Co., Ltd in Japan
2. Mr. Mitsuteru Nagaya	**Curriculum Vitae** Date of birth : 22/9/1969 Nationality : Japanese Langue : English Position : Vice chairman of the Board of Director, Chairman of Audit Committee, member of Risk Management Committee, member of Nomination Committee, Chairman of Related Party Committee of Lao ASEAN Leasing Public Company **Education:** In 1992 : Economics at Kokushikan University **Experience in doing Business** In 2002-2009 : Sale Manager at SFCG Corporation In 2010-Now : Sale Manager at Property Management Co., Ltd

3. Mr. Shingo Yamanaka 	**Curriculum Vitae** Date of birth : 1 June 1981 Nationality : Japanese Langue : English Position : Member of the Board of Director, Chief Executive Officer, Chairman of Remuneration Committee, Chairman of Nomination Committee, Legal of representative of Lao ASEAN Leasing Public Company **Education** In 2004 : Graduation at Meiji University, Japan **Experience in doing Business** In 2004-2014 : Manager at Archimedia architects and associates, Japan In 2014-2021 : Director at Myxaysana design and construction Co., Ltd, Laos In 2021 now : Member of BOD/CEO of Lao ASEAN Leasing Public Company
4.Mr. Hirofumi Inada 	**Curriculum Vitae** Date of birth : 16/01/1975 Nationality : Japanese Langue : English Position : Member of the Board of Director, member of Audit Committee, Chairman of Risk Management Committee, member of Nomination Committee, member of Related party Committee of Lao ASEAN Leasing Public Company **Education:** In 1997 : Economics at Kansai University ,Japan **Experience in doing Business** In 1997-2009 : Employee at SFCG Corporation

	In 2009-2010 : Employee at Justice Servicer Co.,Ltd In 2010-Now : Employee at Property Management Co., Ltd
5. Ms. Harumi Ide 	**Curriculum Vitae** Date of birth : 7 November 1974 Nationality : Japanese Langue : English Position : Member of BOD, member of Audit Committee,member of Rish Management Committee, member of Remuneration Committee, member of Related party Committee of Lao ASEAN Leasing Public Company **Education:** In 1983 : B.A.in Faculty of humanities ,Tokyo Seitoku University **Experience in doing Business** In 1996-1998 : Accountant at Meiji Yasuda Life Insurance Company, Japan In 1999-2001 : Accountant at Sankusu Co., Ltd, Japan In 2001-2007 : Accountant at ,Bansei Securities Co., Ltd ,Japan In 2007-now : Accountant Manager at Unicorn Co., Ltd
6. Mr. Kazutaka Morikawa 	**Curriculum Vitae** Date of birth : 21 November 1974 Nationality : Japanese Langue : English Position : COO of Lao ASEAN Leasing Public Company **Education:** In 2010 : B.A of Education at the University of Tokyo, Japan **Experience in doing Business** In 1998-2005 : Sales Department at SFCG Co., Ltd

	In 2005-2010 : Sales manager at Sumisho-poket Finance, Co., Ltd In 2010-2015 : Sales manager at G-one Credit Service In 2015-now : Sales manager at Lao ASEAN Leasing Public Company
7. Mr. Adnan Ghani 	**Resume Summary** Date of birth : 02nd December 1976 Nationality : Pakistani (Permanent Resident (PR) Laos P.D.R) Langue : English Position : CFO of Lao ASEAN Leasing Public Company **Education History:** 1993 / 1996 and 2000/2002 : Bachelor of Commerce, University of Karachi, Pakistan and Master's Degree from AL-Khair University. 1998-2002 : Completed Articleship from Institute of Chartered Accountant of Pakistan- Sindh, Pakistan –ICAP (Chartered Accountant) **Work History** In 2002-2006 : Audit Senior and Audit Manager M/s. Rao & Co (Chartered Accountant) Karachi Pakistan In 2007-2008 : Manager (Audit and Accounts), Midwest & Co Financial Services Chicago, United States In 2008-2013 : Finance Manager and Country Manager, Vimpex Ltd, Phnom Penh, Cambodia and Lao P.D.R In 2013-2019 : General Manager -GM (Finance, Accounts and Operation), VCS (Phu Bia Mining (PBM) Contractors Lao P.D.R In 2019- June 2021 : CFO (Singapore / Vietnam) / Audit Head, - Asia Investment, Development & Construction Sole Co., Ltd, Lao P.D.R From July 2021 -now : CFO of Lao ASEAN Leasing Public Company

Map of Shareholders' Meeting Places

